









# General Bakeries Limited

Annual Report for the Year ended April 2, 1977

## Financial Highlights

1977

1976

|                                                           |                     |                     |
|-----------------------------------------------------------|---------------------|---------------------|
| Income before extraordinary items - -                     | \$ 683,374          | \$ 1,415,516        |
| Equal per share to - - - - -                              | .91                 | 1.89                |
| Net income - - - - -                                      | 773,049             | 1,541,416           |
| Equal per share to - - - - -                              | 1.03                | 2.06                |
| Dividends declared - - - - -                              | 210,000             | 195,000             |
| Equal per share to - - - - -                              | .28                 | .26                 |
| Shareholders' equity - - - - -                            | 7,841,910           | 7,278,861           |
| Equal per share to - - - - -                              | 10.46               | 9.71                |
| Equity capital invested                                   |                     |                     |
| Working capital - - - - -                                 | 1,380,945           | 1,109,666           |
| Investment in associated company -                        | 517,556             |                     |
| Fixed assets, less accumulated depreciation - - - - -     | 9,880,208           | 9,659,394           |
| Goodwill - - - - -                                        | 1                   | 1                   |
|                                                           | <b>11,778,710</b>   | 10,769,061          |
| Deduct:                                                   |                     |                     |
| Long-term debt - - - - -                                  | 2,774,800           | 2,589,200           |
| Deferred income taxes - - - - -                           | 1,162,000           | 901,000             |
|                                                           | <b>\$ 7,841,910</b> | <b>\$ 7,278,861</b> |
| Gross expenditures for fixed assets during year - - - - - | \$ 1,204,562        | \$ 3,551,172        |



General Bakeries has a single purpose—the production of the finest quality bread and bakery products and the consistent development of high standards of baking procedures and bakery service for the benefit of Canadians in the territories served by your company.







# General Bakeries Limited

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## Directors

W. M. Vacy Ash, O.C.—Toronto  
*Member of the Executive Committee*

Christie T. Clark, V.D.—Toronto  
*Member of the Executive Committee*

J. C. P. Conrad—Toronto  
*Member of the Executive Committee*

T. G. Gedge—Toronto

W. G. Horsey—Toronto

John A. McDougald—Toronto  
*Chairman of the Executive Committee*

S. R. Saxby—Montreal

D. H. Ward—Toronto

Trumbull Warren, O.B.E.—Hamilton

J. P. Wygant—Toronto  
*Member of the Executive Committee*

## Officers

J. C. P. Conrad  
*Chairman of the Board*

J. P. Wygant  
*President and Chief Executive Officer*

T. G. Gedge  
*Vice-President—Finance and Secretary-Treasurer*

F. R. Fillion  
*Vice-President—Personnel and Industrial Relations*

P. L. Pope  
*Vice-President—Manufacturing*

J. T. McCreight  
*Vice-President—Materials Management*

## Auditors

Thorne Riddell & Co., Toronto

## Solicitors

Fraser & Beatty, Toronto

## Registrar & Transfer Agent

Crown Trust Company, Toronto,  
Montreal and Vancouver

## Bankers

Canadian Imperial Bank of Commerce  
Banque Canadienne Nationale  
The Bank of Nova Scotia

## Subsidiary Companies

Mammy's Bakery Limited

Walker Bakeries Co. Limited

General Bakeries (N.B.), Limited

The Marra's Bread Limited

Ellenzweig Bakery Co. Limited

Wonder Bread Limited

## Plants and Offices

St. John's

Dartmouth

Saint John

Montreal

Ottawa

Kingston

Toronto

Orillia

Hamilton

London

## Executive Offices

75 The Donway West, Don Mills, Ontario



## Report to the Shareholders for the year ended April 2, 1977

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Operating results for the year ended April 2, 1977 were disappointing. Sales of \$58,930,315 were \$372,587 or .6% below the previous year. It is estimated that a four and a half week strike in Toronto plus two brief work stoppages in Montreal were responsible for the loss of close to \$1,000,000 in sales volume. After tax profits from operations of \$683,374 compared with \$1,415,516 a year earlier—a reduction of \$732,142 or 51.7%. An extraordinary capital gain of \$89,675 produced a final profit of \$773,049 this year compared with \$1,541,416 last year after including a \$125,900 extraordinary item. Earnings per share amounted to \$1.03 this year and \$2.06 a year ago. Our return on capital employed fell from 15.8% a year ago to 6.7% this year.

Again, the Toronto and Montreal work stoppages were a major contributing factor to this picture. In addition, the development and introduction of an extensive line of new specialty bakery products in Montreal plus the phasing in of a new plant created short term set backs. On a more positive note, I am pleased to report that our earnings trend has improved in recent months and the outlook for the coming year is more favourable. After tax earnings of \$428,234

during the second 6 months of the year compared with \$255,140 during the first 6 months.

Despite earnings difficulties, it was a productive year for your Company. The new Viau Street plant in Montreal, which had been acquired from Christie, Brown and Company, Limited during the late months of the previous fiscal year, has been thoroughly overhauled and improved and is now one of the finest bakeries in Canada. Work is continuing on new roadways and a shipping extension. At the same time, we disposed of a depot in St. Hyacinthe, Quebec and further consolidated our position in the Drolet Street plant in Montreal where eighty-one new products are now being produced.

Our operations in Newfoundland have been consolidated to achieve better efficiency and product control. The plant improvement programme in Dartmouth, Nova Scotia is now complete with the installation of bulk flour handling and more automated production facilities. Significant modifications were implemented in our plants at Kingston, Toronto, Orillia, Hamilton and London.

A major activity throughout the year has been energy conservation. Plant support



systems have been modified to reduce energy consumption wherever possible. In addition, we have now established a system to monitor fuel consumption in all plants and have installed auxiliary systems in areas where flexibility of fuels may prove to be worthwhile. Work is also progressing in preparation for the metric system.

New products introduced during the year include Honey Meal and Potato Scone breads, both of which are performing well in the marketplace. Wonder Bran bread, made with Kellogg's All Bran, continues to outperform competitive 'Bran' bread entries which followed it. Our new English Muffins with raisins are off to a good start. A considerable amount of development work has been done in the interest of producing products which are highly nutritious and appealing to current consumer needs and wants. Several exciting new products will be introduced in the year ahead.

Prices of major commodities have been more stable overall this past year and the inflationary spiral seems to have subsided—at least with regard to ingredients. Recent price increases of flour and shortening have been less dramatic than in

the past. Wage increases continue at problem levels, however. Although settlements of this past year have been substantially below those of the previous years, primarily due to the Anti-Inflation Board regulations, they are still higher than our productivity and competitive status relative to the United States can support. Total payroll in the year just ended amounted to \$21,879,000 an increase of \$2,375,000 or 12%. This includes the wages of a number of people employed to produce the new product lines in Montreal. If the effect of this is removed, overall wage increases amount to approximately 10%—an increase which we and the country as a whole simply cannot justify. Such a wage increase in itself amounts to 2¢ for every loaf of bread produced. You should know that the remuneration of the executive management group was down approximately 10% on the year inasmuch as their compensation is affected by profit results. It should be said that we are opposed to the continuance of the Anti-Inflation Board from the standpoint of their interference in and disruption of the competitive market system—also, the extremely time consuming and costly exercise of completing the required forms and submissions. At the

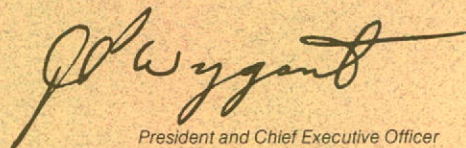
same time, their influence on wage demands and settlements appears to be needed until such time as all of us exercise more restraint in terms of our expectations. At year end we had 1,414 people in full time employment as compared with 1,513 earlier in the year.

We realize fully of course that the expectations of our own people are influenced by the atmosphere and developments around us—and that's as it should be. If anything, our employees overall have made every effort to recognize the realities of the day and have made a major contribution for which we are indebted.

Respectfully submitted on behalf of the Board of Directors.



*Chairman of the Board*



*President and Chief Executive Officer*

May 24, 1977.



# General Bakeries Limited

(Incorporated under the laws of Ontario)

## Consolidated Balance Sheet as at April 2, 1977

(with comparative figures as at April 3, 1976)

| ASSETS                                        | 1977                       | 1976                       |
|-----------------------------------------------|----------------------------|----------------------------|
| CURRENT ASSETS                                |                            |                            |
| Cash and short-term deposits - - - - -        | \$ 2,532,763               | \$ 3,598,080               |
| Accounts receivable - - - - -                 | 3,949,135                  | 3,872,058                  |
| Income taxes recoverable - - - - -            | 155,721                    |                            |
| Inventories - - - - -                         | 1,393,321                  | 1,313,328                  |
| Prepaid expenses - - - - -                    | 462,039                    | 127,523                    |
|                                               | <u>8,492,979</u>           | <u>8,910,989</u>           |
| INVESTMENT IN ASSOCIATED COMPANY (note 5) - - | <u>517,556</u>             |                            |
| FIXED ASSETS (note 2)                         |                            |                            |
| Land, buildings and equipment - - - - -       | 18,500,739                 | 17,890,988                 |
| Less accumulated depreciation - - - - -       | 8,620,531                  | 8,231,594                  |
|                                               | <u>9,880,208</u>           | <u>9,659,394</u>           |
| GOODWILL - - - - -                            | <u>1</u>                   | <u>1</u>                   |
|                                               | <u><u>\$18,890,744</u></u> | <u><u>\$18,570,384</u></u> |

Approved by the Board

J. C. P. CONRAD, *Director*

J. P. WYGANT, *Director*

## Auditors' Report

To the Shareholders of  
GENERAL BAKERIES LIMITED

We have examined the consolidated balance sheet of General Bakeries Limited as at April 2, 1977 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.



| LIABILITIES                                           | 1977                | 1976                |
|-------------------------------------------------------|---------------------|---------------------|
| CURRENT LIABILITIES                                   |                     |                     |
| Accounts payable and accrued liabilities - - - - -    | \$ 6,745,134        | \$ 7,281,911        |
| Dividend payable - - - - -                            | 52,500              | 52,500              |
| Income taxes payable - - - - -                        |                     | 125,512             |
| Principal due within one year on long-term debt - - - | 314,400             | 341,400             |
|                                                       | <u>7,112,034</u>    | <u>7,801,323</u>    |
| LONG-TERM DEBT (note 3) - - - - -                     | 2,774,800           | 2,589,200           |
| DEFERRED INCOME TAXES - - - - -                       | <u>1,162,000</u>    | <u>901,000</u>      |
| SHAREHOLDERS' EQUITY                                  |                     |                     |
| CAPITAL STOCK                                         |                     |                     |
| Authorized                                            |                     |                     |
| 50,000 Preference shares of \$10 par value each       |                     |                     |
| 1,500,000 Common shares of no par value               |                     |                     |
| Issued                                                |                     |                     |
| 750,000 Common shares - - - - -                       | 1,034,750           | 1,034,750           |
| RETAINED EARNINGS - - - - -                           | 6,807,160           | 6,244,111           |
|                                                       | <u>7,841,910</u>    | <u>7,278,861</u>    |
|                                                       | <u>\$18,890,744</u> | <u>\$18,570,384</u> |
| Commitments (note 5)                                  |                     |                     |

In our opinion, these consolidated financial statements present fairly the financial position of the company as at April 2, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada  
May 13, 1977

THORNE RIDDELL & CO.  
Chartered Accountants



# General Bakeries Limited

## Consolidated Statement of Income

YEAR ENDED APRIL 2, 1977 (with comparative figures for year ended April 3, 1976)

|                                                                                               | 1977                | 1976         |
|-----------------------------------------------------------------------------------------------|---------------------|--------------|
| Sales - - - - -                                                                               | <b>\$58,930,315</b> | \$59,302,902 |
| Costs and operating expenses - - - - -                                                        | <b>56,819,800</b>   | 55,960,533   |
| Depreciation - - - - -                                                                        | <b>890,248</b>      | 785,413      |
| Interest on long-term debt - - - - -                                                          | <b>113,734</b>      | 90,812       |
|                                                                                               | <b>57,823,782</b>   | 56,836,758   |
|                                                                                               | <b>1,106,533</b>    | 2,466,144    |
| Profit on disposal of fixed assets - - - - -                                                  | <b>44,841</b>       | 43,472       |
| Income before income taxes and extraordinary items -                                          | <b>1,151,374</b>    | 2,509,616    |
| Income taxes                                                                                  |                     |              |
| Current - - - - -                                                                             | <b>207,000</b>      | 814,600      |
| Deferred - - - - -                                                                            | <b>261,000</b>      | 279,500      |
|                                                                                               | <b>468,000</b>      | 1,094,100    |
| Income before extraordinary items - - - - -                                                   | <b>683,374</b>      | 1,415,516    |
| Gain on sale of lease, less income taxes of<br>\$11,000 related thereto - - - - -             | <b>89,675</b>       |              |
| Gain on sale of land and building, less income taxes of<br>\$42,500 related thereto - - - - - |                     | 125,900      |
| NET INCOME - - - - -                                                                          | <b>\$ 773,049</b>   | \$ 1,541,416 |
| EARNINGS PER SHARE                                                                            |                     |              |
| Income before extraordinary items - - - - -                                                   | <b>\$ .91</b>       | \$ 1.89      |
| Net income - - - - -                                                                          | <b>\$ 1.03</b>      | \$ 2.06      |

## Consolidated Statement of Retained Earnings

YEAR ENDED APRIL 2, 1977 (with comparative figures for year ended April 3, 1976)

|                                        | 1977                | 1976         |
|----------------------------------------|---------------------|--------------|
| BALANCE AT BEGINNING OF YEAR - - - - - | <b>\$ 6,244,111</b> | \$ 4,897,695 |
| Net income - - - - -                   | <b>773,049</b>      | 1,541,416    |
|                                        | <b>7,017,160</b>    | 6,439,111    |
| Dividends declared - - - - -           | <b>210,000</b>      | 195,000      |
| BALANCE AT END OF YEAR - - - - -       | <b>\$ 6,807,160</b> | \$ 6,244,111 |

## Consolidated Statement of Changes in Financial Position

YEAR ENDED APRIL 2, 1977 (with comparative figures for year ended April 3, 1976)

|                                                                                               | 1977                | 1976         |
|-----------------------------------------------------------------------------------------------|---------------------|--------------|
| WORKING CAPITAL DERIVED FROM                                                                  |                     |              |
| Operations - - - - -                                                                          | <b>\$ 1,928,122</b> | \$ 2,503,423 |
| Proceeds from sale of lease,<br>less current income taxes related thereto - - - -             | <b>89,675</b>       |              |
| Proceeds from sale of land and building,<br>less current income taxes related thereto - - - - |                     | 228,004      |
| Proceeds from long-term debt—bank loan - - - - -                                              | <b>500,000</b>      | 1,700,000    |
|                                                                                               | <b>2,517,797</b>    | 4,431,427    |
| WORKING CAPITAL APPLIED TO                                                                    |                     |              |
| Additions to fixed assets - - - - -                                                           | <b>1,204,562</b>    | 3,551,172    |
| Reduction of long-term debt—6¼% first mortgages -                                             | <b>314,400</b>      | 341,400      |
| Dividends declared - - - - -                                                                  | <b>210,000</b>      | 195,000      |
| Investment in associated company - - - - -                                                    | <b>517,556</b>      |              |
|                                                                                               | <b>2,246,518</b>    | 4,087,572    |
| INCREASE IN WORKING CAPITAL - - - - -                                                         | <b>271,279</b>      | 343,855      |
| WORKING CAPITAL AT BEGINNING OF YEAR - - - - -                                                | <b>1,109,666</b>    | 765,811      |
| WORKING CAPITAL AT END OF YEAR - - - - -                                                      | <b>\$ 1,380,945</b> | \$ 1,109,666 |



# General Bakeries Limited

## Notes to Consolidated Financial Statements

YEAR ENDED APRIL 2, 1977

### 1. ACCOUNTING POLICIES

#### (a) Subsidiary companies

The accounts of the wholly-owned inactive subsidiary companies are consolidated herein.

#### (b) Associated company

Effective December 31, 1976 the company purchased an investment in an associated company which will be accounted for on an equity basis coinciding with the date of acquisition of that interest annually.

#### (c) Inventories

Finished goods are valued at selling price less normal mark-up; other inventories are valued at lower of cost and replacement cost.

#### (d) Depreciation

Depreciation is provided on the straight-line basis using the following annual rates:

|                                   |            |
|-----------------------------------|------------|
| Buildings - - - - -               | 2½%        |
| Machinery and equipment - - - - - | 10% to 20% |
| Automotive equipment - - - - -    | 20%        |

#### (e) Delivery trays

Delivery trays are expensed in the year of acquisition.

#### (f) Income taxes

Deferred income taxes arise from claiming depreciation and other items for income tax purposes in amounts differing from amounts recorded in the accounts.

### 2. FIXED ASSETS

|                     |                     | 1977                     |                     | 1976                |
|---------------------|---------------------|--------------------------|---------------------|---------------------|
|                     | Cost                | Accumulated Depreciation | Net                 | Net                 |
| Land - - - - -      | \$ 1,746,595        |                          | \$ 1,746,595        | \$ 1,716,609        |
| Buildings - - - - - | 6,344,918           | \$ 1,539,422             | 4,805,496           | 4,606,374           |
| Equipment - - - - - | 10,409,226          | 7,081,109                | 3,328,117           | 3,336,411           |
|                     | <u>\$18,500,739</u> | <u>\$ 8,620,531</u>      | <u>\$ 9,880,208</u> | <u>\$ 9,659,394</u> |

### 3. LONG-TERM DEBT

|                                                                                       | 1977                | 1976                |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| Bank loan, at prime interest rate due July 6, 1978<br>(1976, June 15, 1977) - - - - - | \$ 2,200,000        | \$ 1,700,000        |
| 6¾% First mortgages, payable semi-annually:                                           |                     |                     |
| To August 18, 1977—\$27,000 plus interest - - - - -                                   | 27,000              | 81,000              |
| To October 20, 1979—\$143,700 plus interest - - - - -                                 | 862,200             | 1,149,600           |
|                                                                                       | <u>3,089,200</u>    | <u>2,930,600</u>    |
| Less principal included in current liabilities - - - - -                              | 314,400             | 341,400             |
|                                                                                       | <u>\$ 2,774,800</u> | <u>\$ 2,589,200</u> |

### 4. PENSION OBLIGATIONS

As at April 2, 1977 the company's pension plans were fully funded. This is a result of an actuarial valuation conducted during the year and the company funding a deficiency for past service of approximately \$9,000 in one of its plans.

### 5. COMMITMENTS

(a) The company is committed to increase its investment in the associated company by up to approximately \$100,000, prior to March 31, 1980, subject to the future earnings of the associated company's subsidiary.

(b) The company is committed to annual rentals of approximately \$90,000 on long-term leases which expire on dates varying to 1987.

### 6. ANTI-INFLATION LEGISLATION

The company and its subsidiaries are regulated under the Anti-Inflation Act which provides for the restraint of prices, profit margins, compensation and dividends in Canada after October 13, 1975. In the opinion of management the company has complied with the provisions of the Act.

### 7. OTHER STATUTORY INFORMATION

The direct remuneration of directors and senior officers (including the five highest paid employees) amounts to \$307,235 (1976, \$339,321).



| 1974       | 1973       | 1972       | 1971       | 1970       | 1969       | 1968       |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 452,562 | \$ 148,483 | \$ 76,985  | \$ 44,849  | \$ (1,796) | \$ 312,484 | \$ 250,597 |
| .60        | .20        | .10        | .06        | —          | .41        | .34        |
| 452,562    | 148,483    | 76,985     | 44,849     | (1,796)    | 312,484    | 501,362    |
| .60        | .20        | .10        | .06        | —          | .41        | .67        |
| 97,500     | 97,500     | 97,500     | 97,500     | 187,500    | 187,500    | 187,500    |
| .13        | .13        | .13        | .13        | .25        | .25        | .25        |
| 7,258,837  | 4,141,308  | 4,193,267  | 3,800,373  | 4,342,576  | 3,959,721  | 4,227,424  |
| 6,741,928  | 3,249,839  | 3,411,929  | 2,978,088  | 3,428,457  | 2,979,065  | 3,041,983  |
| 516,909    | 891,469    | 781,338    | 822,285    | 914,119    | 980,656    | 1,185,441  |
| —          | —          | —          | —          | —          | 18,545     | 46,226     |
| —          | —          | —          | —          | —          | —          | —          |
| 6,691,058  | 7,086,436  | 7,332,084  | 7,183,152  | 5,346,969  | 4,704,183  | 4,308,233  |
| 13,949,896 | 11,227,745 | 11,525,352 | 10,983,526 | 9,689,546  | 8,682,450  | 8,581,884  |
| 1,572,000  | 2,826,000  | 2,922,000  | 2,849,000  | 970,000    | 270,000    | 270,000    |
| 389,500    | 260,500    | 351,000    | 295,500    | 377,500    | 330,500    | 292,000    |
| 5,246,468  | 4,861,406  | 4,840,423  | 4,860,938  | 4,913,589  | 5,102,885  | 4,977,901  |
| 7.00       | 6.52       | 6.45       | 6.48       | 6.55       | 6.80       | 6.64       |

Net de 1976 comprend un gain extraordinaire de \$125,900 sur la vente de terrain et de bâtiment moins les impôts conséquents sur le revenu, équivalent par action à 17 cents.

| 1977       | 1976         | 1975       | 1974       |
|------------|--------------|------------|------------|
| 1977       | 1976         | 1975       | 1974       |
| \$ 683,374 | \$ 1,415,516 | \$ 796,602 | \$ 796,602 |
| .91        | 1.89         | 1.06       | 1.06       |
| 773,049    | 1,541,416    | 796,602    | 796,602    |
| 1.03       | 2.06         | 1.06       | 1.06       |
| 210,000    | 195,000      | 110,625    | 110,625    |
| .28        | .26          | .14%       | .14%       |
| 8,492,979  | 8,910,989    | 7,776,230  | 7,776,230  |
| 7,112,034  | 7,801,323    | 7,010,419  | 7,010,419  |
| 1,380,945  | 1,109,666    | 765,811    | 765,811    |
| —          | —            | —          | —          |
| 517,556    | 9,659,394    | 6,983,233  | 6,983,233  |
| 9,880,208  | 18,570,384   | 14,759,464 | 14,759,464 |
| 18,890,744 | 2,589,200    | 1,230,600  | 1,230,600  |
| 2,774,800  | 901,000      | 586,000    | 586,000    |
| 7,841,910  | 7,278,861    | 5,932,445  | 5,932,445  |
| 10.46      | 9.71         | 7.91       | 7.91       |

OPERATIONS

FINANCIAL POSITION

\*Net income for the 1977 year includes an extraordinary gain of \$89,675 on sale of lease less income taxes related thereto, equal per share to 12 cents. \*Net income for the 1976 year includes an extraordinary gain of \$250,765 on sale of western Canada businesses and expropriation of Toronto plant, equal per share to 33 cents.





HOWARD ROSS LIBRARY  
OF MANAGEMENT  
MCGILL UNIVERSITY







# Les Boulangeries Générales Limitée

Rapport annuel de l'exercice clos le 2 avril 1977

## Résumé financier

1977

1976

|                                                                 |                     |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
| Bénéfice avant postes extraordinaires -                         | \$ 683,374          | \$ 1,415,516        |
| Bénéfice par action - - - - -                                   | .91                 | 1.89                |
| Bénéfice net - - - - -                                          | 773,049             | 1,541,416           |
| Bénéfice par action - - - - -                                   | 1.03                | 2.06                |
| Dividendes déclarés - - - - -                                   | 210,000             | 195,000             |
| Dividende par action - - - - -                                  | .28                 | .26                 |
| Avoir des actionnaires - - - - -                                | 7,841,910           | 7,278,861           |
| Avoir par action - - - - -                                      | 10.46               | 9.71                |
| Capital-actions investi                                         |                     |                     |
| Fonds de roulement - - - - -                                    | 1,380,945           | 1,109,666           |
| Placement dans une compagnie associée - - - - -                 | 517,556             |                     |
| Immobilisations, moins amortissement accumulé - - -             | 9,880,208           | 9,659,394           |
| Achalandage - - - - -                                           | 1                   | 1                   |
|                                                                 | <b>11,778,710</b>   | 10,769,061          |
| Moins:                                                          |                     |                     |
| Dette à long terme - - - - -                                    | 2,774,800           | 2,589,200           |
| Impôts sur le revenu reportés - - -                             | 1,162,000           | 901,000             |
|                                                                 | <b>\$ 7,841,910</b> | <b>\$ 7,278,861</b> |
| Acquisitions d'immobilisations au cours de l'exercice - - - - - | <b>\$ 1,204,562</b> | <b>\$ 3,551,172</b> |



Les Boulangeries Générales ont un but—la production de pains et de pâtisseries d'une qualité par excellence et la mise au point de plus hauts standards de boulangerie et de services en faveur des Canadiens dans les régions que votre compagnie dessert.







# Les Boulangeries Générales Limitée

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## Administrateurs

W. M. Vacy Ash, O.C.—Toronto  
*Membre du comité de direction*

Christie T. Clark, V.D.—Toronto  
*Membre du comité de direction*

J. C. P. Conrad—Toronto  
*Membre du comité de direction*

T. G. Gedge—Toronto

W. G. Horsey—Toronto

John A. McDougald—Toronto  
*Président du comité de direction*

S. R. Saxby—Montréal

D. H. Ward—Toronto

Trumbull Warren, O.B.E.—Hamilton

J. P. Wygant—Toronto  
*Membre du comité de direction*

## Directeurs

J. C. P. Conrad  
*Président du Conseil*

J. P. Wygant  
*Président et directeur administratif en chef*

T. G. Gedge  
*Vice-président—Finances, et secrétaire-trésorier*

F. R. Fillion  
*Vice-président—Personnel et relations industrielles*

P. L. Pope  
*Vice-président—Production*

J. T. McCreight  
*Vice-président—Gestion des aménagements*

## Vérificateurs

Thorne Riddell & Cie, Toronto

## Contentieux

Fraser & Beatty, Toronto

## Registraire et Agent de Transfert

Crown Trust Company, Toronto,  
Montréal et Vancouver

## Banques

Banque Canadienne Impériale de Commerce  
Banque Canadienne Nationale  
La Banque de Nouvelle-Ecosse

## Ses filiales

Mammy's Bakery Limited

Walker Bakeries Co. Limited

General Bakeries (N.B.), Limited

The Marra's Bread Limited

Ellenzweig Bakery Co. Limited

Wonder Bread Limited

## Usines et bureaux

St. John's

Dartmouth

Saint-Jean

Montréal

Ottawa

Kingston

Toronto

Orillia

Hamilton

London

## Bureaux administratifs

75 ouest, Donway, Don Mills, Ontario



## Rapport aux actionnaires de l'exercice clos le 2 avril 1977

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Les résultats d'exploitation pour l'exercice clos le 2 avril 1977 furent décevants. Les ventes s'élevant à \$58,930,315 étaient de \$372,587 ou de .6% de moins que l'an dernier. L'on estime qu'une grève de quatre semaines et demie à Toronto en plus de deux brefs arrêts de travail à Montréal furent responsables de la perte de près de \$1,000,000 de volume de ventes. Après les impôts, les profits d'exploitation de \$683,374 se comparent à \$1,415,516 il y a un an, soit une diminution de \$732,142 ou de 51.7%. Un gain extraordinaire de capital de \$89,675 a porté le profit final à \$773,049 cette année en comparaison de \$1,541,416 l'an dernier, après l'inclusion d'un poste extraordinaire de \$125,900. Les bénéfices par action furent de \$1.03 cette année et de \$2.06 il y a un an. Notre retour sur le capital employé a baissé de 15.8% il y a un an à 6.7% cette année.

Encore une fois, les arrêts de travail à Toronto et à Montréal furent un facteur qui contribua à ce tableau. De plus, la mise au point et le lancement d'un assortiment élaboré de nouveaux produits spéciaux de boulangerie à Montréal en plus de la réorganisation d'une nouvelle usine, ont créé des retards pour une courte période. D'un côté plus positif, il me fait plaisir de rapporter que la tendance de nos bénéfices s'est améliorée au cours des derniers mois et que les perspectives pour l'exercice courant sont plus favorables. Après les impôts,

des bénéfices de \$428,234 au cours du deuxième semestre de l'exercice se comparaient à \$255,140 au cours des six premiers mois.

En dépit des difficultés en regard des bénéfices, l'exercice fut productif pour votre compagnie. La nouvelle usine sur la rue Viau à Montréal, qui a été acquise de Christie, Brown and Company, Limited au cours des derniers mois de l'exercice financier précédent, a été complètement rénovée et améliorée et constitue maintenant l'une des meilleures boulangeries au Canada. Le travail se continue sur de nouvelles routes de distribution et une augmentation des expéditions. En même temps, nous avons disposé d'un dépôt à St-Hyacinthe, Québec, et nous avons consolidé davantage notre position à l'usine de la rue Drolet à Montréal où 81 nouveaux produits sont actuellement fabriqués.

Notre exploitation à Terre-Neuve a été consolidée pour atteindre une plus grande efficacité et un meilleur contrôle des produits. Le programme d'amélioration de l'usine à Dartmouth, Nouvelle-Ecosse est maintenant achevé avec l'installation d'une manipulation de la farine en vrac et d'autres aménagements automatisés de production. Des modifications importantes ont été adoptées à nos usines de Kingston, Toronto, Orillia, Hamilton et London.

Une activité importante au cours de l'exercice fut la conservation d'énergie.



Les prix des denrées principales ont été plus que stables en général au cours de l'année dernière et l'escalade inflationniste semble avoir baissé, du moins en ce qui concerne les ingrédients. Les récentes augmentations de prix de la farine et du

Respectueusement soumis au nom du  
Conseil d'administration,

Président du Conseil

Président et directeur administratif en chef

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# Les Boulangeries Générales Limitée

(Constituée en vertu des lois de l'Ontario)

## Bilan consolidé au 2 avril 1977

(avec les chiffres comparatifs au 3 avril 1976)

| ACTIF                                          | 1977         | 1976         |
|------------------------------------------------|--------------|--------------|
| ACTIF À COURT TERME                            |              |              |
| Encaisse et dépôts à court terme - - - - -     | \$ 2,532,763 | \$ 3,598,080 |
| Comptes à recevoir - - - - -                   | 3,949,135    | 3,872,058    |
| Impôts sur le revenu recouvrables - - - - -    | 155,721      |              |
| Stocks - - - - -                               | 1,393,321    | 1,313,328    |
| Frais payés d'avance - - - - -                 | 462,039      | 127,523      |
|                                                | 8,492,979    | 8,910,989    |
| PLACEMENT DANS UNE COMPAGNIE ASSOCIÉE (note 5) | 517,556      |              |
| IMMOBILISATIONS (note 2)                       |              |              |
| Terrains, bâtiments et équipement - - - - -    | 18,500,739   | 17,890,988   |
| Moins amortissement accumulé - - - - -         | 8,620,531    | 8,231,594    |
|                                                | 9,880,208    | 9,659,394    |
| ACHALANDAGE - - - - -                          | 1            | 1            |
|                                                | \$18,890,744 | \$18,570,384 |

Approuvé au nom du Conseil d'administration

J. C. P. CONRAD, *administrateur*

J. P. WYGANT, *administrateur*

## Rapport des vérificateurs

Aux actionnaires de  
LES BOULANGERIES GÉNÉRALES LIMITÉE

Nous avons vérifié le bilan consolidé de Les Boulangeries Générales Limitée au 2 avril 1977, ainsi que les états consolidés des bénéfices, des bénéfices non répartis et de l'évolution de la situation financière de l'exercice clos à cette date. Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues, et a comporté par conséquent les sondages et autres procédés que nous avons jugés nécessaires dans les circonstances.



| <b>PASSIF</b>                                                    | <b>1977</b>         | <b>1976</b>  |
|------------------------------------------------------------------|---------------------|--------------|
| <b>PASSIF À COURT TERME</b>                                      |                     |              |
| Comptes à payer et frais courus - - - - -                        | <b>\$ 6,745,134</b> | \$ 7,281,911 |
| Dividendes à payer - - - - -                                     | <b>52,500</b>       | 52,500       |
| Impôts sur le revenu à payer - - - - -                           |                     | 125,512      |
| Tranche exigible de la dette à long terme - - - - -              | <b>314,400</b>      | 341,400      |
|                                                                  | <b>7,112,034</b>    | 7,801,323    |
| DETTE À LONG TERME (note 3) - - - - -                            | <b>2,774,800</b>    | 2,589,200    |
| IMPÔTS SUR LE REVENU REPORTÉS - - - - -                          | <b>1,162,000</b>    | 901,000      |
| <b>AVOIR DES ACTIONNAIRES</b>                                    |                     |              |
| <b>CAPITAL-ACTIONS</b>                                           |                     |              |
| Autorisé                                                         |                     |              |
| 50,000 actions privilégiées d'une valeur au pair de \$10 chacune |                     |              |
| 1,500,000 actions ordinaires sans valeur au pair                 |                     |              |
| Émis                                                             |                     |              |
| 750,000 actions ordinaires - - - - -                             | <b>1,034,750</b>    | 1,034,750    |
| BÉNÉFICES NON RÉPARTIS - - - - -                                 | <b>6,807,160</b>    | 6,244,111    |
|                                                                  | <b>7,841,910</b>    | 7,278,861    |
|                                                                  | <b>\$18,890,744</b> | \$18,570,384 |
| Engagements (note 5)                                             |                     |              |

À notre avis, ces états financiers consolidés présentent fidèlement la situation financière de la compagnie au 2 avril 1977 ainsi que les résultats de son exploitation et l'évolution de sa situation financière pour l'exercice clos à cette date selon les principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.

Toronto, Canada  
le 13 mai 1977

THORNE RIDDELL & CIE  
Comptables agréés



# Les Boulangeries Générales Limitée

## État consolidé des bénéfices

DE L'EXERCICE CLOS LE 2 AVRIL 1977 (avec les chiffres comparatifs de l'exercice clos le 3 avril 1976)

|                                                                                                                 | 1977                | 1976                |
|-----------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Ventes - - - - -                                                                                                | <b>\$58,930,315</b> | \$59,302,902        |
| Coûts et frais d'exploitation - - - - -                                                                         | <b>56,819,800</b>   | 55,960,533          |
| Amortissement - - - - -                                                                                         | <b>890,248</b>      | 785,413             |
| Intérêts sur la dette à long terme - - - - -                                                                    | <b>113,734</b>      | 90,812              |
|                                                                                                                 | <b>57,823,782</b>   | 56,836,758          |
|                                                                                                                 | <b>1,106,533</b>    | 2,466,144           |
| Gain sur disposition d'immobilisations - - - - -                                                                | <b>44,841</b>       | 43,472              |
| Bénéfice avant impôts sur le revenu et postes extraordinaires -                                                 | <b>1,151,374</b>    | 2,509,616           |
| Impôts sur le revenu                                                                                            |                     |                     |
| Courants - - - - -                                                                                              | <b>207,000</b>      | 814,600             |
| Reportés - - - - -                                                                                              | <b>261,000</b>      | 279,500             |
|                                                                                                                 | <b>468,000</b>      | 1,094,100           |
| Bénéfice avant postes extraordinaires - - - - -                                                                 | <b>683,374</b>      | 1,415,516           |
| Gain sur vente du bail, moins impôts<br>sur le revenu afférents, au montant de \$11,000 - - -                   | <b>89,675</b>       |                     |
| Gain sur vente de terrain et de bâtiment, moins impôts<br>sur le revenu afférents, au montant de \$42,500 - - - |                     | 125,900             |
| <b>BÉNÉFICE NET - - - - -</b>                                                                                   | <b>\$ 773,049</b>   | <b>\$ 1,541,416</b> |
| <b>BÉNÉFICE PAR ACTION</b>                                                                                      |                     |                     |
| Bénéfice avant postes extraordinaires - - - - -                                                                 | <b>\$ .91</b>       | \$ 1.89             |
| Bénéfice net - - - - -                                                                                          | <b>\$ 1.03</b>      | \$ 2.06             |

## État consolidé des bénéfices non répartis

DE L'EXERCICE CLOS LE 2 AVRIL 1977 (avec les chiffres comparatifs de l'exercice clos le 3 avril 1976)

|                                               | 1977                | 1976                |
|-----------------------------------------------|---------------------|---------------------|
| <b>SOLDE AU DÉBUT DE L'EXERCICE - - - - -</b> | <b>\$ 6,244,111</b> | \$ 4,897,695        |
| Bénéfice net - - - - -                        | <b>773,049</b>      | 1,541,416           |
|                                               | <b>7,017,160</b>    | 6,439,111           |
| Dividendes déclarés - - - - -                 | <b>210,000</b>      | 195,000             |
| <b>SOLDE À LA FIN DE L'EXERCICE - - - - -</b> | <b>\$ 6,807,160</b> | <b>\$ 6,244,111</b> |

## État consolidé de l'évolution de la situation financière

DE L'EXERCICE CLOS LE 2 AVRIL 1977 (avec les chiffres comparatifs de l'exercice clos le 3 avril 1976)

|                                                                                                          | 1977                | 1976                |
|----------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>PROVENANCE DU FONDS DE ROULEMENT</b>                                                                  |                     |                     |
| Exploitation - - - - -                                                                                   | <b>\$ 1,928,122</b> | \$ 2,503,423        |
| Produit de la vente du bail moins impôts<br>courants sur le revenu afférents - - - - -                   | <b>89,675</b>       |                     |
| Produit de la vente de terrain et de bâtiment moins<br>impôts courants sur le revenu afférents - - - - - |                     | 228,004             |
| Produit de la dette à long terme-emprunt bancaire - - -                                                  | <b>500,000</b>      | 1,700,000           |
|                                                                                                          | <b>2,517,797</b>    | 4,431,427           |
| <b>AFFECTATION DU FONDS DE ROULEMENT</b>                                                                 |                     |                     |
| Additions aux immobilisations - - - - -                                                                  | <b>1,204,562</b>    | 3,551,172           |
| Diminution de la dette à long terme<br>hypothèques de premier rang, 6% - - - - -                         | <b>314,400</b>      | 341,400             |
| Dividendes déclarés - - - - -                                                                            | <b>210,000</b>      | 195,000             |
| Placement dans une compagnie associée - - - - -                                                          | <b>517,556</b>      |                     |
|                                                                                                          | <b>2,246,518</b>    | 4,087,572           |
| <b>AUGMENTATION DU FONDS DE ROULEMENT - - - - -</b>                                                      | <b>271,279</b>      | 343,855             |
| <b>FONDS DE ROULEMENT AU DÉBUT DE L'EXERCICE - - - - -</b>                                               | <b>1,109,666</b>    | 765,811             |
| <b>FONDS DE ROULEMENT À LA FIN DE L'EXERCICE - - - - -</b>                                               | <b>\$ 1,380,945</b> | <b>\$ 1,109,666</b> |



# Les Boulangeries Générales Limitée

## Notes aux états financiers consolidés

DE L'EXERCICE CLOS LE 2 AVRIL 1977

### 1. CONVENTIONS COMPTABLES

#### (a) Filiales

Les comptes des filiales inactives en propriété exclusive sont consolidés.

#### (b) Compagnie affiliée

À partir du 31 décembre 1976, le placement que la compagnie a acheté dans une compagnie affiliée sera régularisé annuellement selon la méthode de la valeur de consolidation coïncidant avec la date d'acquisition de l'intérêt.

#### (c) Stocks

Les produits finis sont évalués au prix de vente moins la majoration normale; les autres stocks sont évalués au plus bas du coût et du coût de remplacement.

#### (d) Amortissement

L'amortissement est calculé selon la méthode linéaire, aux taux annuels suivants:

|                          |           |           |
|--------------------------|-----------|-----------|
| Bâtiments                | - - - - - | 2½%       |
| Machinerie et équipement | - - - - - | 10% à 20% |
| Matériel roulant         | - - - - - | 20%       |

#### (e) Claies pour livraison

Les claies pour livraison sont dépensés au cours de l'exercice de leur acquisition.

#### (f) Impôts sur le revenu

Les impôts sur le revenu reportés proviennent de la réclamation de l'amortissement et d'autres postes aux fins fiscales en montants autres que les sommes portées aux livres.

### 2. IMMOBILISATIONS

|                      | 1977                |                        | 1976                |                     |
|----------------------|---------------------|------------------------|---------------------|---------------------|
|                      | Coût                | Amortissement accumulé | Net                 | Net                 |
| Terrains - - - - -   | \$ 1,746,595        |                        | \$ 1,746,595        | \$ 1,716,609        |
| Bâtiments - - - - -  | 6,344,918           | \$ 1,539,422           | 4,805,496           | 4,606,374           |
| Équipement - - - - - | 10,409,226          | 7,081,109              | 3,328,117           | 3,336,411           |
|                      | <u>\$18,500,739</u> | <u>\$ 8,620,531</u>    | <u>\$ 9,880,208</u> | <u>\$ 9,659,394</u> |

### 3. DETTE À LONG TERME

|                                                                                                      | 1977                | 1976                |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Emprunt bancaire, au taux bancaire de base, échéant le 6 juillet 1978 (1976, 15 juin 1977) - - - - - | \$ 2,200,000        | \$ 1,700,000        |
| Hypothèques de premier rang, 6¾%, remboursables semestriellement:                                    |                     |                     |
| \$27,000 plus les intérêts jusqu'au 18 août 1977; - - - - -                                          | 27,000              | 81,000              |
| et \$143,700 plus les intérêts jusqu'au 20 octobre 1979 - - - - -                                    | 862,200             | 1,149,600           |
|                                                                                                      | <u>3,089,200</u>    | <u>2,930,600</u>    |
| Moins: capital compris au passif à court terme - - - - -                                             | <u>314,400</u>      | <u>341,400</u>      |
|                                                                                                      | <u>\$ 2,774,800</u> | <u>\$ 2,589,200</u> |

### 4. RÉGIMES DE RETRAITE

Au 2 avril 1977, les régimes de retraite de la compagnie étaient pleinement financés suite d'une évaluation actuarielle effectuée au cours de l'exercice et du financement, de la part de la compagnie, d'un déficit d'environ \$9,000 relativement aux services passés dans l'un de ses régimes.

### 5. ENGAGEMENTS

(a) La compagnie s'est engagée d'augmenter son placement dans la compagnie affiliée jusqu'à environ \$100,000 avant le 31 mars 1980, compte tenu des bénéfices futurs de la filiale de l'entreprise en participation.

(b) La compagnie s'est engagée à payer des loyers annuels d'environ \$90,000 suivant des baux à long terme expirant à des dates diverses jusqu'en 1987.

### 6. LOI ANTI-INFLATION

La compagnie et ses filiales sont assujetties à la Loi anti-inflation ayant pour objet de limiter les prix, les marges bénéficiaires, la rémunération et les dividendes au Canada après le 13 octobre 1975. La direction est d'avis que la compagnie s'est conformée aux dispositions de la Loi.

### 7. AUTRES RENSEIGNEMENTS STATUTAIRES

La rémunération directe payée aux administrateurs et aux dirigeants principaux (y compris les cinq employés dont le salaire est le plus élevé) s'élève à \$307,235 (1976—\$339,321).



| EXPLOITATION                                  |   | 1977       | 1976         | 1975       |
|-----------------------------------------------|---|------------|--------------|------------|
| B n fice (perte) avant postes extraordinaires | - | \$ 683,374 | \$ 1,415,516 | \$ 796,602 |
| B n fice par action                           | - | .91        | 1.89         | 1.06       |
| B n fice net (perte nette)*                   | - | 773,049    | 1,541,416    | 796,602    |
| B n fice par action*                          | - | 1.03       | 2.06         | 1.06       |
| Dividendes d clar s                           | - | 210,000    | 195,000      | 110,625    |
| Dividende par action                          | - | .28        | .26          | .14%       |

# SITUATION FINANCI RE

|                                               |   |            |            |            |
|-----------------------------------------------|---|------------|------------|------------|
| Disponibilit s                                | - | 8,492,979  | 8,910,989  | 7,776,230  |
| Exigibilit s                                  | - | 7,112,034  | 7,801,323  | 7,010,419  |
| Fonds de roulement                            | - | 1,380,945  | 1,109,666  | 765,811    |
| Imp t sp cial remboursable                    | - | -          | -          | -          |
| Placements dans une compagnie associ e        | - | -          | -          | -          |
| Immobilisations, moins amortissement accumul  | - | 517,556    | 9,659,394  | 6,983,233  |
| Actif total                                   | - | 18,890,744 | 18,570,384 | 14,759,464 |
| Dettes   long terme                           | - | 2,774,800  | 2,589,200  | 1,230,600  |
| Imp ts report s                               | - | 1,162,000  | 901,000    | 586,000    |
| Avoir des actionnaires                        | - | 7,841,910  | 7,278,861  | 5,932,445  |
| Avoir par action                              | - | 10.46      | 9.71       | 7.91       |

\* Le b n fice net de 1977 comprend un gain extraordinaire de \$89,675 sur vente du bail moins les imp ts cons quents sur le revenu,  quivalent par action   12 cents. \* Le b n fice net de 1968 comprend un gain extraordinaire de \$250,765 r sultant de la vente d'entreprises de l'ouest du Canada et de l'expropriation de l'usine de Toronto,  quivalent par action   33 cents.

ar includes an extraordinary gain of \$125,900 on sale of land and building less income taxes related thereto, equal per share to 17 cents.

| 1968       | 1969       | 1970       | 1971       | 1972       | 1973       | 1974       |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 250,597 | \$ 312,484 | \$ (1,796) | \$ 44,849  | \$ 76,985  | \$ 148,483 | \$ 452,562 |
| .34        | .41        | -          | .06        | .10        | .20        | .60        |
| 501,362    | 312,484    | (1,796)    | 44,849     | 76,985     | 148,483    | 452,562    |
| .67        | .41        | -          | .06        | .10        | .20        | .60        |
| 187,500    | 187,500    | 187,500    | 97,500     | 97,500     | 97,500     | 97,500     |
| .25        | .25        | .25        | .13        | .13        | .13        | .13        |
| 4,227,424  | 3,959,721  | 4,342,576  | 3,800,373  | 4,193,267  | 4,141,308  | 7,258,837  |
| 3,041,983  | 2,979,065  | 3,428,457  | 2,978,088  | 3,411,929  | 3,249,839  | 6,741,928  |
| 1,185,441  | 980,656    | 914,119    | 822,285    | 781,338    | 891,469    | 516,909    |
| 46,226     | 18,545     | -          | -          | -          | -          | -          |
| -          | -          | -          | -          | -          | -          | -          |
| 4,308,233  | 4,704,183  | 5,346,969  | 7,183,152  | 7,332,084  | 7,086,436  | 6,691,058  |
| 8,581,884  | 8,682,450  | 9,689,546  | 10,983,526 | 11,525,352 | 11,227,745 | 13,949,896 |
| 270,000    | 270,000    | 970,000    | 2,849,000  | 2,922,000  | 2,826,000  | 1,572,000  |
| 292,000    | 330,500    | 377,500    | 295,500    | 351,000    | 260,500    | 389,500    |
| 4,977,901  | 5,102,885  | 4,913,589  | 4,860,938  | 4,840,423  | 4,861,406  | 5,246,468  |
| 6.64       | 6.80       | 6.55       | 6.48       | 6.45       | 6.52       | 7.00       |